

ARIZONA STATE SENATE

RESEARCH STAFF



TO: JOINT LEGISLATIVE AUDIT COMMITTEE

DATE: November 28, 2007

SUBJECT: Sunset Review of the Arizona State Veterinary Medical Examining Board

MEGAN GNAGY
LEGISLATIVE RESEARCH ANALYST
NATURAL RESOURCES &
RURAL AFFAIRS COMMITTEE
Telephone: (602) 926-3171
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Attached is the final report of the sunset review of the Arizona State Veterinary Medical Examining Board, which was conducted by the Senate Natural Resources and Rural Affairs and House of Representatives Water and Agriculture Committee of Reference on November 8, 2007.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Janet Napolitano

President of the Senate
Senator Tim Bee

Speaker of the House of Representatives
Representative James Weiers

Senate Members
Senator Chuck Gray, Cochair
Senator Amanda Aguirre
Senator Marsha Arzberger
Senator Robert Blendu
Senator Karen Johnson

House Members
Representative Lucy Mason, Cochair
Representative Jack Brown
Representative Jennifer Burns
Representative John Kavanagh
Representative Lynne Pancrazi

Arizona State Veterinary Medical Examining Board
Arizona State Library, Archives & Public Records
Auditor General

Senate Majority Staff
Senate Research Staff
Senate Democratic Staff
Senate Resource Center

House Majority Staff
House Research Staff
House Democratic Staff
Chief Clerk

MG/jas
Attachment

COMMITTEE OF REFERENCE REPORT

ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

Background

Pursuant to section 41-2953, Arizona Revised Statutes, the Joint Legislative Audit Committee (JLAC) assigned the sunset review of the Arizona State Veterinary Medical Examining Board to the Senate Natural Resources and Rural Affairs and House of Representatives Water and Agriculture Committee of Reference.

Veterinary licensing statutes have existed in Arizona since 1923 and the Arizona Veterinary Medical Examining Board (Board) was established in 1967. The Board is comprised of five veterinary members and four public members, each appointed by the Governor to serve five year terms. According to statute, A.R.S. § 32-2207, the "primary duty of the Board is to protect the public from unlawful, incompetent, unqualified, impaired or unprofessional practitioners of veterinary medicine through licensure and regulation of the profession in this state."

The Board has two primary programs that it administers: a licensing program and a regulation and investigative program. Under the licensing program, the Board is responsible for licensing veterinarians, veterinary technicians, veterinary premises and veterinary crematoriums. The Board administers the licensing test for veterinarians and veterinary technicians and inspects veterinary and crematory premises prior to issuing a license. Every license issued by the Board is renewable biennially.

The regulation and investigation program administered by the Board reviews complaints by consumers. Each complaint goes through a review process including a hearing of the Investigative Committee (Committee), comprised of five volunteers, two veterinarians and three public members. The Committee reviews each complaint and prepares a report for the Board including a recommendation. The case is then forwarded to the Board for review. At a Board meeting, the case is reviewed and the Board may dismiss the complaint, issue a letter of concern, or find violations. If the Board finds violations, they may censure, issue probation or suspend or revoke the violator's license. In FY 2007 the Board reported 160 cases, 58 of which resulted in disciplinary action.

The Board is a 90/10 board, which means that it keeps 90 percent of the monies it takes in and the remaining 10 percent goes to the State. The Board collects licensing fees from each veterinarian, veterinary technician, veterinary premise and animal crematory. According to the Board, in fiscal year 2007, the Board issued 3,066 licenses; 1775 to veterinarians, 611 to veterinary technicians, 672 for veterinary premises and 8 for animal crematoriums. In FY 2007, approximately \$856,820 went to the Board and \$112,330 was transferred to the state General Fund.

Committee of Reference Sunset Review Procedures

The Committee of Reference held a public hearing on November 8, 2007, to review the Arizona State Veterinary Medical Examining Board's response to the sunset factors as required by A.R.S. § 41-2954, subsection D and F (*See Attachment 2*) and to receive public testimony (*See Attachment 4*). Testimony was received from Jenna Jones, Executive Director of the Arizona Veterinary Medical Examining Board and Rick Crisler, Veterinary Medical Examining Board Member.

Committee of Reference Recommendation

The Committee of Reference recommended that the Arizona State Veterinary Medical Examining Board be continued for ten years.

Attachments

1. Letter from Senator Chuck Gray to the Arizona State Veterinary Medical Examining Board requesting information
2. Sunset factors pursuant to A.R.S. § 41-2954, subsection D and F
3. Meeting Notice
4. Minutes of the Committee of Reference Meeting

SENATOR CHUCK GRAY
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PHOENIX, ARIZONA 85007-2844
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COMMITTEES:
JUDICIARY, CHAIRMAN
NATURAL RESOURCES AND
RURAL AFFAIRS, VICE CHAIRMAN
PUBLIC SAFETY AND HUMAN
SERVICES

DISTRICT 19 - MESA

Arizona State Senate

LEGISLATIVE COUNCIL

August 15, 2007

Arizona State Veterinary Medical Examining Board
Jenna Jones, Executive Director
1400 W. Washington, Room 240
Phoenix, Arizona 85007

Dear Director Jones,

The sunset review process prescribed in Title 41, Chapter 27, Arizona Revised Statutes, provides a system for the Legislature to evaluate the need to continue the existence of state agencies. During the sunset review process, an agency is reviewed by a legislative committee of reference. On completion of the sunset review, the committee of reference recommends to continue, revise, consolidate, or terminate the agency.

The Joint Legislative Audit Committee (JLAC) has assigned the sunset review of the Arizona State Veterinary Medical Examining Board to the committee of reference comprised of members of the Senate Natural Resources and Rural Affairs Committee and the House of Representatives Water and Agriculture Committee.

Pursuant to A.R.S. §41-2954, the committee of reference is required to consider certain factors in deciding whether to recommend continuance, modification or termination of an agency. Please provide your response to those factors as provided below:

1. The objective and purpose in establishing the agency.
2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated.
3. The extent to which the agency has operated within the public interest.
4. The extent to which rules adopted by the agency are consistent with the legislative mandate.
5. The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.
6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.
7. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.

8. The extent to which agencies have addressed deficiencies in their enabling statutes which prevent them from fulfilling their statutory mandate.
9. The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in this subsection.
10. The extent to which the termination of the agency would significantly harm the public health, safety or welfare.
11. The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.
12. The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.

Additionally, please provide written responses to the following:

1. An identification of the problem or the needs that the agency is intended to address.
2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.
3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.
4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.

In addition to responding to the factors in A.R.S. §41-2954, please provide the committee of reference with copies of minutes from your meetings for the current fiscal year and your most recent annual report. Your response should be received by September 1st so we may proceed with the sunset review and schedule the required public hearing. Please submit the requested information to:

Megan Gnagy
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007.

Thank you for your cooperation. If you have any questions, please feel free to contact me at (602) 926-5288 or Ms. Gnagy at (602) 926-3171.

Sincerely,



Chuck Gray
State Senator

Chairman, Senate Natural Resources and Rural Affairs Committee of Reference

CG/mg/sas



Janet Napolitano
Governor

Jenna Jones
Executive Director

ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

1400 W. Washington St., Room 240, Phoenix, Arizona 85007-2937

Phone (602) 364-1-PET

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www.vetbd.state.az.us

August 29, 2007

The Honorable State Senator, Chuck Gray
Chair, Natural Resources and Rural Affairs Committee of Reference
1700 W. Washington
Phoenix, AZ 85007

Dear Chairman Gray and Members of the Joint Legislative Committee of Reference:

On behalf of the Arizona State Veterinary Medical Examining Board ("Board"), I am pleased to provide you and the Joint Legislative Committee of Reference with the Board's Response to the Sunset Factors as prescribed in Title 41, Chapter 27, Arizona Revised Statutes. In addition, we respectfully request that the Committee of Reference support and recommend that the Board be renewed for no less than the standard 10 years.

Please find the following information:

1. The objective and purpose in establishing (continuing) the agency.

By way of historical background, the State of Arizona passed the first veterinary licensing statutes in 1923. In addition to veterinarians, the Board also licenses veterinary premises and animal crematories and offers certification to veterinary technicians.

The Mission of the Board is to protect the health, safety, and welfare of the general public, as well as the welfare of animals, by enforcing the licensing standards prescribed by statute for the licensing and regulation of veterinarians, veterinary technicians, and veterinary premises. The Board monitors the actions and attempts to protect the public from unauthorized, unlicensed practitioners.

The Goals of the Board are to ensure licenses are granted to competent professionals with high standards of professional and ethical conduct and to investigate complaints in a timely manner and provide enforcement to protect the public from incompetent service and unprofessional and unethical conduct.

Arizona Law establishes the objective of assuring competence and quality in the veterinary profession by authorizing the Board to:

- Examine, license, require continuing education of, and discipline veterinarians;
- Examine, certify, require continuing education of, and discipline veterinary technicians;
- License veterinary medical premises and take action against the licenses of the premises or the licenses of responsible parties;
- License animal crematories and take action against the license of the premise;
- Take action against unlicensed practitioners; and
- Regulate the dispensing of drugs and devices.

The Board has two primary programs: Licensing and Regulation/Investigative. In Licensing, the Board is responsible for licensing veterinarians, veterinary medical premises and animal crematories as well as certifying veterinary technicians. The Board administers examinations for veterinarians and veterinary technicians and inspects all veterinary medical premises and animal crematories. Under the Regulation/Investigative portion, the Board investigates complaints and can also initiate complaints; issues violations; takes appropriate regulatory disciplinary action to ensure the public's protection; and then monitors compliance.

2. The effectiveness with which the agency has met its objective and purpose and the efficiency with which it has operated.

The Board has successfully regulated the veterinary medical industry and has implemented many of the suggested changes in its regulatory process as suggested by the Auditor General at the Sunset Hearing in 1997. In addition, the Board efficiently operates and processes license applications and renewals in a timely manner and actively monitors licensees placed on probation following discipline.

The Board has been in compliance with all licensing timeframes. Please refer to:

- A. Tab 2 - Licensing Time Frame Compliance Reports for FY 2001-2007
- B. Tab 3 - Annual Licensing Reports for FY 2001-2007

All applications for premise and crematory licenses involve an inspection. The Board also conducts a minimum of fifty (50) random premise inspections a year. Once licensed or certified, all licenses and certificates are renewed biennially. During license renewal, each veterinarian and technician must submit forms and documentation of several items for staff review and ultimately Board approval. This process in FY2007 took 21 days or less to complete.

The Board reviews all investigations and complaints filed with the agency and notifies all complainants of the receipt, when the Investigative Committee will review the case and how they can give testimony, when the Board will review the Committee's recommendations, and final disposition of the case. All cases are reviewed at properly agendized public meetings.

In cases where a veterinarian may be an immediate danger to the public or animal health, safety, or welfare the Board has acted quickly to prevent harm to the public.

The expected time frame of regulatory boards from receipt of a complaint to resolution is 180 days. The Board has worked very hard over the past four years to reduce a significant backlog and to reduce this number to less than 180 days for most cases. There may be a few situations where the timeframe may take a little longer due to setting of a formal, administrative hearing when the nature and complexity of the case including the potential number of allegations and seriousness of the allegations warrants such action; and when the discipline may include a suspension of more than thirty days or revocation.

The number of investigations conducted by the agency each year has dramatically increased during the past ten years; in 1995 and 1996 there were 69 and 102 cases, respectively. In FY2006 and FY2007 there were 169 and 160 cases, respectively. Discipline of veterinarians has increased significantly since the prior Sunset Review in 1996. In FY2004, 55% of Board cases resulted in disciplinary action, 64% in FY2005, 55% in FY2006, and 74% in FY2007.

The Board operates within its Legislative Appropriation. In fact, the Board's expenditures have been below the appropriation. The agency has taken a very conservative approach to operational costs and will continue to do so. Please refer to the following:

Tab 4- FY2008 Appropriation Report.

Tab 5- Internal Budget Summary from FY2001 to FY2007.

The Board has a positive relationship with the regulated community.

3. The extent to which the Board has operated within the public interest.

The Board has operated, and will continue to operate, within the public interest.

The licensure process for veterinarians and certification process for technicians provides public assurances that the applicants who are licensed meet minimal licensure requirements. The renewal process verifies and requires continuing education of both.

The licensure process for veterinary premises and animal crematories include inspections by Board staff. Both premises are also subject to random inspections after licensure to verify compliance.

The complaint process provides due process for the licensees. The complainants are also involved in the process and have an opportunity to present their concerns at an Investigative Committee meeting and to the Board upon their initial review. If the case goes further the complainant is encouraged to be involved in the Informal or Formal hearing process.

Open meeting laws are strictly followed and public record requests are provided in a timely manner.

Any member of the public may call the Board office during regular working hours and receive public information regarding a licensee, which includes date of licensure, educational background, practice location, and any history of disciplinary actions or board complaints. Upon written request, copies of public records are available for a copying fee or for review at the Board office (24-hour notice is requested).

The Board continues to maintain a website (www.vetbd.state.az.us) that provides Board information, laws and rules, licensure process, complaint process, application forms, and complaint forms, and other miscellaneous forms that may be submitted. We are in the process of updating the website and it is our goal, by mid 2008, that it will also provide additional licensee information, meeting agendas, board meeting minutes and schedules.

The Board participates in investigations and cooperates with the DEA, Arizona Department of Agriculture, U.S.D.A., The Arizona Department of Health, The Arizona Racing Commission, and the Pharmacy Board. The Board also maintains contact and updates the Arizona Veterinary Medical Association with information regarding proposed statute and rule changes and solicits stakeholder input.

4. The extent to which rules adopted by the agency are consistent with the legislative mandate.

The Board has promulgated rules to adhere to legislative mandates and regulatory reform changes. The Governor's Regulatory Review Council has reviewed and approved the Board's 5-year rule Review Plan; please refer to Tab 6- Five Year Review Progress Report.

In addition to the Five Year Review, the Council has approved four rule packages in the past four years.

During the 2004 Legislative Session, authority was given to the Board for the licensing of animal crematories.

It is the Board's belief that the rules, as amended, are consistent with the legislative mandates.

5. **The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.**

The Board complies with A.R.S. § 41-1023, which includes public participation, written statements, and oral proceedings in the promulgation of all Board rules. All proposed rule revisions are discussed at regularly scheduled Board meetings. The Board meetings comply with Open Meeting Laws and notices are sent to interested parties and posted in accordance with state law.

The Board has sought and received input on proposed rules from stakeholder groups such as the Arizona Veterinary Medical Association, The Arizona Department of Agriculture, The Arizona Department of Health Services and the public. The Board was approached by the Arizona State Veterinarian and The Arizona Department of Health to make rule changes for the administration of rabies vaccines. The Board worked in cooperation with these agencies to get these rule changes initiated, approved, and in effect as quickly as possible.

The Board solicits and considers comments it receives during the rules promulgation process. Depending on the nature of the rule change, the Board may also conduct informal meetings to better understand constituent concerns. The Board makes every effort to include stakeholders in the process and receive public comment prior to opening a docket and then after submitting a proposed rule package to the Governor's Regulatory Review Council. In the most recent rulemaking, approved by the Governor's Regulatory Review Council on February 6, 2007, the Board considered the rulemaking and the draft rules at several Board meetings and scheduled more than one public hearing for input and subsequent changes to the proposed rules as a result of the public meetings.

In addition:

- The Board publishes its statutes and rules, including proposed rule packages, on the Board's website ([http: www.vetbd.state.az.us](http://www.vetbd.state.az.us)) and will provide paper copies if requested.
- Proposed rules, including a notice of dates and locations of hearings being held to obtain public comment, are published in the Arizona Administrative Register.
- All new license applicants receive a copy of the statutes and rules after receipt of their application.

6. **The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.**

Statutes and rules provide the Board authority to investigate and resolve complaints concerning licensed practitioners. The Board has investigated and resolved complaints effectively.

Since the prior Sunset hearing, the Board has implemented an Investigative Committee to review and make recommendations to the Board on each investigation. If the matter requires immediate action and investigation, the complaint and investigation are brought directly before the Board at its next meeting. The Board can then summarily suspend a veterinarian's license, if warranted, because the veterinarian's continued practice may be a threat to the public or animal health, safety or welfare.

Regulatory	FY99 Actual	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual
# of investigations opened	133	70	101	91	107	127	141	164	160
# of complaints opened by Board	133	27	83	74	118	82	79	58	79
# of complaints resolved	144	89	74	80	126	83	82	76	88
Disciplinary actions taken	51	31	59	45	98	46	48	34	58
Revoked	0	0	1	2	0	3	1	1	1
Suspended	0	0	0	2	0	2	4	3	3
C Cases (unlicensed)	8	14	25	19	16	11	40	41	17
Cease & Desist	4	5	6	5	10	1	4	5	4

The Board has established a process to address the time to review and process complaints. The goal is to have the matter resolved within 180 days. The Board has overcome a backlog of complaints and complaints are being resolved within the 180-day timeframe or less.

The Board would like to explore alternative remedies to resolve complaints and address minor record keeping violations that may include corrective practice notifications and/or Notices of De Minimus violations.

7. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.

An Assistant Attorney General currently advises the Board on legal matters and may prosecute violations of Board statute and rule, as applicable. The Board is currently represented by one quarter-time Assistant Attorney General and has established an interagency service agreement with the Civil/Licensing Enforcement Division of the Attorney General's Office for each year since FY2004 to ensure consistent and adequate representation to carry out its mandated duties.

The Attorney General's office has the authority to defend the Board in Judicial Review Actions taken by licensees after the Board has imposed disciplinary action and conducted a hearing.

The Attorney General's office has the authority to defend the Board in Judicial Review Actions taken by licensees after the Board has imposed disciplinary action and conducted a hearing.

8. **The extent to which agencies have addressed deficiencies in their enabling statutes which prevent them from fulfilling their statutory mandate.**

The Board has, since the last Sunset review, worked with the Legislature to amend its statutes.

In 2000, an Investigative Committee was established to review investigations and complaints and make recommendations to the Board. The Board membership was increased to add an additional public member.

In 2004, under SB 1104, the Board initiated legislation that would give the Board authority to license and regulate animal crematories. This bill included some technical and clarification changes that allows jurisdiction over owners of veterinary premises, especially when the owner is not a licensed veterinarian. This proved helpful to the public in cases where they were previously unable to obtain medical records from a closed premise.

In 2006, under SB 1541, the Board cooperated with the Legislature to allow Equine Dentists to float or rasp horse's teeth and practice their trade under the in-direct supervision of a veterinarian. If sedation is being used a veterinarian must be present. Clarification was also made that a veterinarian must perform all surgery.

9. **The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in this subsection.**

The Board believes that several technical changes should be made to the Board's statutory authority that will enhance the efficiency and effectiveness of complaint investigations, discipline and review. Due to the changing dynamics and the influx of new residents to the State, the Board would like to address the endorsement licensure of veterinarians from Canada and endorsement certification provisions for veterinary technicians. The Board would also like to update and clarify some of the practice act language.

Otherwise, the Board believes the statutes are effective and adequate.

10. **The extent to which the termination of the agency would significantly harm the public health, safety or welfare.**

Termination of the state regulation of veterinary medicine would significantly endanger the public's health, safety and/or welfare. The Board has taken disciplinary action against licensees that posed a threat to the public's health, safety and welfare. Without a regulatory licensing function, there is no assurance that unqualified or incompetent veterinarians are excluded from practice. Without a regulatory complaint

investigation and adjudication function, there would be no mechanism to discipline veterinarians that cause harm.

The deregulation of veterinary premises and crematories could lead to abuse in providing a minimum quality of service and medicine and would significantly reduce consumer protection. Without a Board, consumers would not have a source, place or location to inquire or complain about veterinary care or crematory services.

Elimination of the Board would also negatively impact the care and treatment of animals in the state. Veterinarians are responsible for vaccinating pets against diseases such as rabies and distemper and identifying and treating against other diseases such as giardia, ringworm, scabies and toxoplasmosis, that could be transferred to humans. In addition, veterinarians are charged with notifying the proper authorities when they suspect animal abuse has taken place. It has been shown that individuals involved in animal abuse are more likely to escalate to other forms of abuse against children or other people.

11. **The extent to which the level of regulation exercised by the agency is appropriate and whether less or more stringent levels of regulation would be appropriate.**

The Board believes that the current level of regulation exercised is appropriate. Licensure requirements for veterinarians, certified technicians and premises ensure that applicants meet the education and training requirements to prevent unqualified or unprofessional individuals from practicing in this state or operating a facility that does not meet minimum requirements. The Board recognizes that as changes in the industry occur, revisions to regulation may be needed. The Board would like to propose changes to its statutes that would enhance its ability to regulate and educate the industry.

12. **The extent to which the agency has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.**

The Board is not aware of any comparable regulatory services available in the private sector or available through the use of private sector contractors. The Board has relied on private contractors to perform activities beyond its staff resources in the area of calligraphy, rule writing, information technology, and website maintenance.

The Board may utilize the services of an expert witness for certain situations in complaint cases and to date, these experts have been willing to provide their time and expertise at no charge to the Board.

ADDITIONAL QUESTIONS:

1. **An identification of the problem or the needs that the agency is intended to address.**

The Board has identified several strategic issues that it intends to address. They include:

- A. Revising the database so that it can be linked to our website and provide licensee information.
- B. Updating and revising the website to include agendas and minutes.
- C. Revising the database to include all investigations.
- D. Updating statutory language.

2. **A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.**

The Arizona State Veterinary Medical Examining Board has the responsibility to protect the public from unlawful, incompetent, unqualified, impaired and unprofessional veterinarians, veterinary technicians, premises and animal crematories. The Board regulates the profession by evaluating applications for licensure, conducting licensing investigations when necessary, and issuing licenses to qualified applicants.

Further, the Board reviews and investigates approximately 160 cases per year. Each complaint can contain a wide range of allegations and issues that the Board addresses.

The Board participates and provides information in a cooperative effort with a number of other state, federal and business entities.

Licensing:

- The Board's legislative intent to issue licenses to veterinarians, premises, animal crematories and certify veterinary technicians that meet minimum requirements for licensure will continue.
- The Board will continue to meet the statutory timeframes for issuing initial licenses, renewals, and certifications.
- The Board will continue to conduct random inspections for licensed premises.

Complaint Process:

- The Board will continue to investigate all complaints and carry out the necessary disciplinary process pursuant to statutes and rules.

- The Board will continue to work with licensees to correct deficiencies or violations through the disciplinary process to guarantee consumer protection.
- The Board will investigate and take action, when warranted, against unlicensed practitioners that are practicing veterinary medicine.

Public Information Issues:

- The Board will continually improve the database to ensure information is available to the public while protecting the licensee's information that is not considered public.
- The Board will continually improve the database to make licensee public information available to the public through its website.
- The Board will continue to respond, in a prompt, courteous and timely manner to provide accurate information to telephone requests for information and public records requests for other information.

Combined List of Performance Measures

	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Actual	FY07 Actual
Licensing								
Number of licenses (total)	2424	2527	2651	2610	2789	2862	3169	3066
Number of new applications received (YTD)	332	371	344	371	465	513	562	562
Number of new licenses issued (YTD)	276	246	263	287	326	333	366	353
Renewal licenses issued	17	2164	26	2408	44	2360	28	2998
Licensees at end of each fiscal year								
Veterinarians	1510	1515	1582	1527	1636	1645	1787	1775
Technicians	350	405	477	486	535	583	695	611
Premises	564	607	592	597	618	634	687	672
Crematories	0	0	0	0	0	0	0	8

3. **An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.**

The Board has not identified any specific conflicts and/or duplication that they believe they need to address at this time. The Board appropriately refers complaints to the agency of jurisdiction when necessary and advises other possible agencies such as the Drug Enforcement Agency, if called for.

4. **An assessment of the consequences of eliminating the agency or of consolidating it with another agency.**

The elimination or termination of the agency and the affect on the public would be extremely harmful.

The Board does not believe that the consolidation of this Board with another agency would be in the best interest of the public nor the licensees for the following reasons:

1. The 90/10 regulatory boards serve a wide variety of professionals and industries with an even larger base of constituents. To develop an infrastructure to support a consolidation would be very expensive. The time, effort and costs to such a project to be done correctly would be cost prohibitive and take years.
2. The expertise and knowledge in veterinary medicine of the regulating body and investigators would be lost and this could create the loss of service and efficiency.
3. Diversity in licensing would be difficult to maintain and the regulated community would lose its own identity if combined with other agencies.
4. The 90/10 Boards are self-sufficient from fees and licensing fees of their licensees. The Boards donate 10% of all monies received back to the General Fund. The Boards are already sharing many services and are run very efficiently.
5. As a rule, regulatory boards are well managed and respected by their specific profession or industry.
6. Consolidation may very well result in a tax increase to the regulated community, resulting in increased fees but less specialized service.

As requested, a copy of the Board's minutes for FY2006 are listed under Tab 1 and a copy of the most recent annual report for FY2006 is under Tab 7. Our agency's annual report for FY2007 will be reviewed by the Board at their meeting on September 19, 2007, when it is approved I will forward a copy for your consideration.

I would like to personally thank the Committee of Reference and staff for their assistance during this review. I may be contacted at (602) 542-8150 or by email at jenna.jones@vetbd.state.az.us.

Respectfully,

A handwritten signature in black ink, appearing to read "Jenna Jones", with a stylized, cursive script.

Jenna Jones
Executive Director

CC: The Honorable State Representative, Lucy Mason
Chair, Water and Agriculture Committee of Reference
and
House of Representatives Members of the Water and Agriculture Committee of Reference

Interim agendas can be obtained via the Internet at <http://www.azleg.state.az.us/InterimCommittees.asp>

ARIZONA STATE LEGISLATURE

INTERIM MEETING NOTICE OPEN TO THE PUBLIC

SENATE NATURAL RESOURCES AND RURAL AFFAIRS AND HOUSE WATER AND AGRICULTURE COMMITTEE OF REFERENCE

→ **Date:** Thursday, November 8, 2007
Time: 1:00 P.M.
Place: SHR 1

AGENDA

1. Call to Order
2. Opening Remarks
3. Arizona Beef Council
 - Presentation
 - Public Testimony
 - Discussion
 - Recommendations by the Committee of Reference
4. Arizona State Veterinary Medical Examining Board
 - Presentation
 - Public Testimony
 - Discussion
 - Recommendations by the Committee of Reference
5. ~~Arizona Department of Racing and Arizona Racing Commission~~
 - ~~• Presentation by Auditor General~~
 - ~~• Response by Racing Department and Racing Commission~~
 - ~~• Public Testimony~~
 - ~~• Discussion~~
 - ~~• Recommendations by the Committee of Reference~~
6. Adjourn

Members:

Senator Chuck Gray, Co-Chair
Senator Amanda Aguirre
Senator Marsha Arzberger
Senator Robert Blendu
Senator Karen Johnson

Representative Lucy Mason, Co-Chair
Representative Jack Brown
Representative Jennifer Burns
Representative John Kavanagh
Representative Lynne Pancrazi

10/26/07

11/6/07

sp

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the Senate Secretary's Office: (602)926-4231 (voice). Requests should be made as early as possible to allow time to arrange the accommodation.

ARIZONA STATE LEGISLATURE
Forty-eighth Legislature – First Regular Session

SENATE NATURAL RESOURCES AND RURAL AFFAIRS AND
HOUSE WATER AND AGRICULTURE
COMMITTEE OF REFERENCE

Minutes of Interim Meeting
Thursday, November 8, 2007
Senate Hearing Room 1 – 1:00 P.M.

Chairman Gray called the meeting to order at 1:10 p.m. and attendance was noted by the secretary.

Members Present

Senator Chuck Gray, Co-Chair
Senator Marsha Arzberger
Senator Karen Johnson

Representative Jack Brown
Representative John Kavanagh
Representative Lynne Pancrazi

Members Absent

Senator Amanda Aguirre
Senator Robert Blendu

Representative Lucy Mason, Co-Chair
Representative Jennifer Burns

Chairman Gray announced that the meeting will begin even though a quorum is not yet present. He stated that no votes will be taken until a quorum is reached.

ARIZONA BEEF COUNCIL

Megan Gnagy, Senate Natural Resources and Rural Affairs Analyst, described the background of the Arizona Beef Council.

Presentation

Bas Aja, Arizona Beef Council, addressed the committee to explain that, although he is associated with the Arizona Cattleman's Association, he is today functioning as the Executive Director for the Arizona Beef Council, which does not deal with any policy matters related to beef production, but rather functions as the promotion and research arm for the industry in Arizona.

Mr. Aja explained that the Arizona Beef Council is a non-profit organization established by statute because federal law requires a state charter for the program. He explained that the

Council has established a program that promotes and provides research on beef nutrition and food safety and all other matters related to beef and beef products. He explained the financing structure.

Chairman Gray explained that this Committee, not the Auditor General, audits this agency.

Discussion ensued regarding the various administrative services provided to the Arizona Beef Council. Mr. Aja explained that his service is contracted through the Cattleman's Association, and that the Council has no employees and a nine-member Board appointed by the Governor; he explained the process that the Council uses to secure services.

Chairman Gray stated that the request is for a ten year continuation, but that, due to Legislative term limits, he wondered what Mr. Aja would think about a five year sunset; Mr. Aja replied that there are many checks on the Council from other sources.

Chairman Gray asked if the Council did any internal audit, and how often; Mr. Aja explained that the Council comes under scrutiny by:

1. State Auditor General
2. Solicitor of US Department of Agriculture
3. annual procedural audits by Cattleman's Beef Board

Discussion ensued about recent audits, recommendations, and compliance. Chairman Gray requested a copy of the most recent review and the policies and procedures manual which was developed to document existing practices and correct identified deficiencies.

Representative Brown stated that the Council is a well-handled state agency and expressed his opinion that Arizona needs to continue it and that he supports the ten year sunset.

Representative Kavanagh stated that any deficiencies seem to be procedural and that a seven year sunset might be advisable.

Representative Pancrazi stated her support for a ten year sunset.

Senator Arzberger stated that she supports a ten year sunset for these small, self-funded agencies.

Senator Johnson stated that Legislative members are to have oversight and that she is in favor of a five or a seven year time frame to bracket Legislative term limits.

Mr. Aja concurred that there can be some institutional gaps in the sunset process due to term limits, but stated that for agencies such as the Council, he prefers ten year sunset reviews.

Chairman Gray stated his opinion that the Beef Council has no problems and has responded to recommendations from the Beef Board, so there is no reason to scrutinize it; however, he stated, he agrees with Senator Johnson's comments and is in favor of a seven year sunset review.

Recommendations by the Committee of Reference

Senator Johnson moved that the Senate Natural Resources and Rural Affairs and House Water and Agriculture Committee of Reference recommend the continuation of the Arizona Beef Council for seven years. The motion failed by a voice vote.

Senator Johnson moved that the Senate Natural Resources and Rural Affairs and House Water and Agriculture Committee of Reference recommend the continuation of the Arizona Beef Council for ten years. The motion carried by a voice vote.

Chairman Gray directed staff to draft Legislation to effect the motion.

ARIZONA STATE VETERINARY MEDICAL EXAMINING BOARD

Ms. Gnagy explained the statutory mandate of the Arizona State Veterinary Medical Examining Board to license and regulate veterinarians, veterinary technicians, veterinary premises and crematoriums.

Presentation

Jenna Jones, AZ Veterinary Medical Examining Board, explained that this Board is self-funding and its mission is to protect the general welfare of the public and of animals. She described the Board which is comprised of nine members: five veterinarians and four public members, one of whom represents the cattle industry. She stated that the Board has five-and-a-half employees and two primary programs, licensing & regulation and investigation. She explained that their last sunset review was in 1997, and as a result of that they have changed their investigative process by instituting investigative committees.

Chairman Gray asked if any license renewal was ever denied. Discussion ensued about license renewals, continuing education hours, premise inspections, and complaint handling.

Ms. Jones concluded by requesting a ten year continuation.

Chairman Gray asked about a seven year versus a ten year continuation; Ms. Jones replied that because hers is a small agency with many projects underway and a good history, she asks for a ten year continuation.

Chairman Gray asked about the mission statement and any areas of improvement; Ms. Jones stated that they protect the public and that they have met their mandate. She further explained that information technology via their website is an area of improvement that is underway, and that they are working to improve the investigative process.

Chairman Gray asked about the complaint process and how they handle unfounded complaints; Ms. Jones described the processes which are followed, explaining that letters of concern may be issued. Ms. Jones added that the Veterinary Medical Association supports continuance and is available to testify.

Rick Crisler, AZ Veterinary Medical Examining Board, addressed the committee and explained that in the case of multiple complaints, each issue is handled individually.

Representative Pancrazi asked if the letters of concern are available to the public; Dr. Crisler explained that they are kept in files for ten years. Ms. Jones added that if the letter is disciplinary in nature, it is kept for twenty-five years and is available by request to the public.

Senator Arzberger stated her concern with "five-and-a-half" employees.

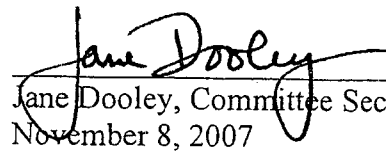
Recommendations by the Committee of Reference

Senator Johnson moved that the Senate Natural Resources and Rural Affairs and House Water and Agriculture Committee of Reference recommend the continuation of the Arizona State Veterinary Medical Examining Board for ten years. The motion carried by a voice vote.

Chairman Gray noted that three members were in favor of a seven year sunset due to legislative term limits, not to any activity of the Arizona State Veterinary Medical Examining Board.

Chairman Gray directed staff to draft Legislation to effect the motion.

Without objection, the meeting adjourned at 2:07 p.m.


Jane Dooley, Committee Secretary
November 8, 2007

(Original minutes, attachments and audio on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov/>)